

ONTARIO CORPORATIONS

OTHER CANADIAN CORPORATIONS

FOREIGN CORPORATIONS

PARTNERSHIPS

INCOME TAX

CAPITAL TAX

PREMIUM TAX

RATES

Ontario Corporations Tax



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MINISTRY
OF
REVENUE

BERNARD
GRANDMAÎTRE
MINISTER

This guide describes some of the main features of Corporations Tax in Ontario. It has been developed from the Corporations Tax Act R.S.O. 1980, but is not a substitute for the Act.

Note:

The provisions of the Corporations Tax Act R.S.O. 1980 are subject to change, particularly with regard to rates of tax and interest rates. Addenda will be issued when changes occur.

Copies of the Corporations Tax Act and Regulations may be obtained for \$6.00 from the Ontario Government Bookstore, 880 Bay Street, Toronto; telephone (416) 965-2054.

Taxpayers may also order copies of the Act by telephoning free of charge from anywhere in Ontario:

- In Metro Toronto — 965-6015
- In Area Code 807 — ask the operator for Zenith 6-7200
- In all other areas — 1-800-268-7540

Alternatively, write to:

Ontario Government Publications Service
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ONTARIO CORPORATIONS TAX HIGHLIGHTS

- The Ministry of Revenue is responsible for administering Ontario Corporations Tax. To incorporate a business or to operate under a name other than the Corporation's legal one, contact the Ontario Ministry of Consumer and Commercial Relations (see page 13).
- All businesses incorporated in Ontario with or without share capital, both public and private, are liable for Ontario Corporations Tax, if they maintain a permanent establishment in Ontario (see page 2).
- Copies of the Corporations Tax Return (CT23 or CT8) are available from the Corporations Tax Branch. Guidance in filling out the forms is also available (see pages 14 and 15).
- Small businesses that qualify under "Exemption From Filing Tax Returns" **are not required** to submit a Corporations Tax Return and financial statements (see page 6). All other companies must complete and submit the Ontario Corporations Tax Return (see page 6).
- Interest and penalties are assessed on taxes owing or for tax returns filed late. Those who overpay their taxes receive interest at the same rate (see page 10).
- Some corporations must pay their taxes in instalments (see page 7).
- Balance of tax owing is due two or three months after the end of the taxation year (see page 10).
- Corporate partners must report both income and taxable capital attributed to businesses owned by the partnership in their Corporations Tax Returns (see pages 1 and 5).
- The income tax exemption for newly incorporated small businesses is being phased out. Companies incorporated after April 20, 1988 do not qualify for the tax holiday. However, qualifying corporations carrying on active business prior to April 21, 1988 continue to be eligible for their first three taxation years.

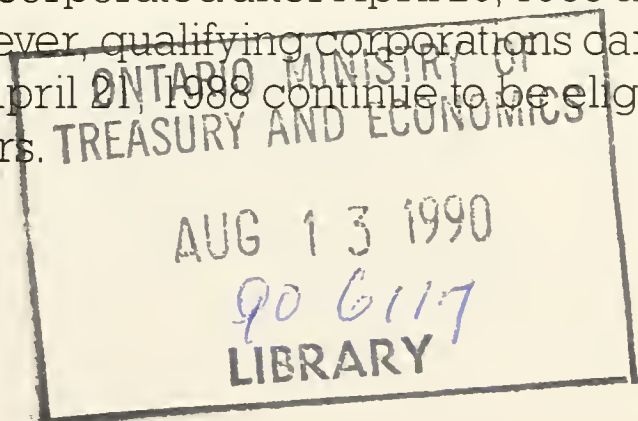


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CORPORATIONS TAX IN ONTARIO

This tax guide is provided for convenience only. For legislative accuracy refer to the Corporations Tax Act, R.S.O. 1980, Chapter 97 as amended.

ONTARIO CORPORATIONS

All businesses incorporated in Ontario with or without share capital, both public and private, are liable for Ontario Corporations Tax, if they maintain a **permanent establishment** in Ontario (see page 2).

OTHER CANADIAN CORPORATIONS

Similarly, businesses that are federally incorporated or incorporated in another province are liable if they maintain a permanent establishment in Ontario.

FOREIGN CORPORATIONS

Businesses incorporated outside Canada with a permanent establishment in Ontario are liable for Ontario Corporations Tax.

Non-resident companies **without** a permanent establishment in Ontario are liable if they receive certain types of income or realize capital gains from a source within Ontario.

PARTNERSHIPS

A corporation that is a co-venturer in a joint venture or a member of a partnership is subject to tax on the corporation's proportionate share of the joint venture's or partnership's income and taxable capital.

UNINCORPORATED BUSINESSES

Many businesses are **not** incorporated and, as a result, are not required to pay Ontario Corporations Tax. These include sole proprietorships and businesses run by individuals as partnerships. Owners of unincorporated businesses are, however, subject to personal income tax on an individual basis. Enquiries regarding this should be directed to the nearest Revenue Canada District Taxation office.

EXEMPT CORPORATIONS

The following corporations are exempt from Ontario Corporations Tax and are not required to file tax returns:

-
- municipal corporations
 - federal and provincial Crown corporations (except those “prescribed” by regulation)
 - agricultural organizations
 - chambers of commerce/ boards of trade
 - registered charities
 - corporations that provide low cost housing for the aged
 - non-profit corporations for scientific research
 - labour organizations
 - limited dividend housing corporations
 - pension corporations
 - farmers’ or fishermen’s insurers
 - clubs, societies or associations organized and operated exclusively for social welfare, civic improvement, or recreation.

Under certain conditions a non-profit organization loses its exemption and becomes liable for Corporations Tax. This happens, for example, if it distributes any part of its income, funds or property to a shareholder or member. In this case, such a corporation should file a tax return for the taxation year in which the distribution or appropriation is made and for all subsequent taxation years.

PERMANENT ESTABLISHMENT

A corporation has a **permanent establishment** in Ontario if it meets **any** of the following criteria:

- the corporation’s charter or by-laws designate a place in Ontario as the head office or the location of a registered office and the corporation does not have a permanent establishment elsewhere in Canada;
- any fixed place of business, including an agency, branch, farm, timberland, factory, workshop, office, warehouse, mine, or oil well, is located in Ontario;
- has no fixed place of business, but Ontario is the principal place in which the corporation’s business is conducted;
- uses substantial machinery or equipment in Ontario;
- carries on business through an employee or agent who either has general authority to contract for the corporation or fills orders from a stock of the corporation’s merchandise located in Ontario;
- maintains a permanent establishment in another province or territory of Canada, but owns land in Ontario;
- is an insurance corporation licensed to do business in Ontario; or,
- is a member of a partnership, including a limited partnership, and the partnership has a permanent establishment in Ontario.

In addition to the provisions cited (see page 2), if a **non-resident** corporation carries on the growing, packing, preserving, creating, fabricating, manufacturing, constructing, mining, or improving of anything in Ontario, it is deemed to have a permanent establishment in Ontario.

COMPONENTS OF CORPORATIONS TAX

There are two main components of Corporations Tax: Income Tax and Capital Tax. All corporations except insurance corporations are liable for Income and Capital Taxes. Insurance corporations are liable for Income and Premium Taxes.

INCOME TAX

Income Tax is levied on the portion of taxable income 'allocated' to Ontario during a taxation year. If a corporation carries on a business through a permanent establishment in another province or jurisdiction in addition to Ontario, it may claim a tax reduction for the portion of its taxable income deemed to have been earned in that other jurisdiction. Tax payable to Ontario will be diminished accordingly.

CAPITAL TAX

This is a tax on the Ontario portion of a corporation's taxable paid-up capital. Taxable paid-up capital is a measure of the total capital employed in the business. This includes, in addition to the shareholders' equity in the corporation, corporate financing through debts such as loans, lien notes and mortgages.

PREMIUM TAX

Insurance companies pay Premium Tax instead of Capital Tax. This tax is based on the total taxable insurance premiums written in Ontario.

TAX RATES

INCOME TAX

The effective Ontario Income Tax rate is 10 per cent on active business income that qualifies for the federal small business deduction (see page 12).

Newly incorporated qualifying small businesses that have claimed a federal small business deduction, are exempt from Ontario Income Tax on the Ontario portion of their first \$200,000 of active business income for each of their first three taxation years. However, this income tax exemption is being phased out (see page 6). Only small businesses incorporated and carrying on active business prior to April 21, 1988, are eligible for the exemption.

On income from manufacturing, processing, farming, fishing, mining or logging that does not qualify for the 10 per cent rate, the applicable Ontario Income Tax rate is 14.5 per cent.

For all other income the rate of Ontario corporate Income Tax is 15.5 per cent.

CAPITAL TAX

For taxation years ending after April 20, 1988, the capital tax rates have been reduced.

- The new flat rates for small businesses are:
 - \$0 (i.e. an exemption) for corporations with both total assets and gross revenues of \$1 million or less.
 - \$100 for corporations with total assets or gross revenues over \$1 million, but with taxable capital up to \$1 million.
 - \$200 for corporations with total assets or gross revenues over \$1 million, but both not over \$1.5 million, and taxable capital exceeding \$1 million but not exceeding \$2 million.
 - \$500 for corporations with total assets or gross revenues in excess of \$1.5 million, and taxable capital in excess of \$1 million but not over \$2 million.
- Corporations with taxable capital over \$2 million but not over \$2.3 million, pay the lesser of tax otherwise payable and the amount calculated as follows:

0.3 per cent of taxable capital
minus
1.83 per cent of (\$2,300,000 **less** taxable capital)
- The general rate of 0.3 per cent applies to
 - a) corporations with taxable capital exceeding \$2.3 million, and
 - b) associated corporations with group taxable capital over \$2 million.
- Family farm corporations, family fishing corporations, mortgage investment corporations, credit unions and mutual insurance corporations insuring churches, schools, etc. pay a flat rate of \$100 if they do not qualify for the capital tax exemption.
- The minimum capital tax rate of \$50 no longer applies.

Special rules apply for members of a group of associated corporations (often companies owned by members of the same family). In such cases, the taxable capitals for all the associated companies, whether operating in Canada or elsewhere, must be added together to determine the rate of Capital Tax that applies. If the total taxable capital for a group of associated companies exceeds \$2,000,000, each member company that is subject to Ontario Corporations Tax is liable for Capital Tax at the 0.3 per cent rate applied to its respective portion of the total taxable capital. Members of such a group are not eligible for the lower flat rates of Capital Tax that might otherwise apply.

Corporations that are members of a partnership, in addition to their own share of the paid-up capital of the partnership, must include the shares of other **related** partners when determining whether the general rate of 0.3 per cent applies.

PREMIUM TAX

The rate of Ontario Premium Tax for accident, sickness and life insurance is 2 per cent of the amount of direct premiums written in Ontario.

For most other insurance the rate is 3 per cent.

Property insurance premiums are subject to an additional tax of 0.5 per cent. This brings the rate of tax on property insurance premiums to 3.5 per cent.

TAX RETURN FILING REQUIREMENTS

TAXATION YEAR END

A newly incorporated business may select any date as its first taxation year end as long as the period does not exceed 53 weeks from the date of incorporation. This taxation year commences from the date of incorporation.

If a company selects a taxation year end which makes the first taxation year less than twelve months, it may have to file a tax return (see page 6) for this period.

Unless the Ministry of Revenue is advised otherwise, the first taxation year end is automatically set at one year from the end of the month of incorporation.

If a corporation wants to change its taxation year end, approval from the federal government is first required (except where there is a change

of control). If federal approval is granted and proof is submitted to the Ministry of Revenue, the taxation year end is automatically changed for Ontario Corporations Tax purposes.

FILING REQUIREMENTS

Small businesses that qualify under "Exemption From Filing Tax Returns" are not required to submit a Corporations Tax Return and financial statements (see below). Other businesses should follow the filing requirements described in "Regular Corporations".

The Special Small Corporations program is discontinued effective April 20, 1988.

Exemption From Filing Tax Returns

For taxation years ending after April 20, 1988, a corporation is exempt from filing a tax return if all of the following conditions are met with respect to the taxation year:

- it files a federal income tax return (T2) with Revenue Canada, Taxation;
- it has no taxable income;
- it has no tax payable; and
- it is a Canadian-controlled private corporation throughout the taxation year.

A notice of assessment (page 7) will **not** be issued to a corporation for a taxation year in which it is **exempted** from filing a tax return. Any tax return filed by a corporation which is exempt from filing will not be retained by the Branch but will be destroyed.

Regular Corporations

Businesses that do not qualify under "exemption from filing tax returns" must file an Ontario Corporations Tax Return (CT23 or CT8) and financial statements for each taxation year.

Due Date

A Corporations Tax Return must be filed within six months of a corporation's taxation year end. Taxes must be paid earlier (see **Instalment Payments**, page 7).

Penalties may be levied for filing tax returns late.

Completion of Tax Return

A Corporations Tax Return must be completed and signed by an officer of the corporation. Copies of the corporation's financial statements and tax schedules filed with the federal tax return must be included.

FAILURE TO COMPLY

Failure to file the required Corporations Tax Returns or pay the required Corporations Tax may result in the cancellation of the Articles of Incorporation and may subject corporate officers to prosecution.

NOTICE OF ASSESSMENT

The Ministry issues a Notice of Assessment detailing Corporations Tax assessed after receiving a completed Corporations Tax Return. Taxpayers who disagree with this Notice of Assessment have the right to file a **Notice of Objection** within 180 days from the date the Notice of Assessment was mailed (see page 16).

A notice of assessment will not be issued to a corporation for a taxation year in which it is exempted from filing a tax return.

PAYMENT OF TAX

INSTALMENT PAYMENTS

Some businesses are required to pay Corporations Tax in monthly instalments.

For a company's first taxation year, monthly instalments are not required, but the full amount of tax owing must be paid on the due date (see **Balance of Tax**, page 10). In subsequent taxation years instalment payments are required in every case **except** if either the previous year's total tax payable or the current year's estimated total tax is less than \$2,000.

If both are \$2,000 or more and instalments were not paid, then instalment interest will be charged.

There are four ways to calculate monthly instalment payments. To avoid interest charges, each instalment, usually due on the last day of the month, should equal the **least** of:

- (1) — 1/12th of the estimated tax payable for the current taxation year;
or,

- (2) — 1/12th of the tax payable in the previous taxation year;
or,
- (3) — for the first two months, 1/12th of the tax payable two years ago, and for the next ten months, 1/10th of the difference between last year's tax payable and the amount paid for the first two months;
or,
- (4) — for the first two months, 1/12th of the tax payable two years ago, and for the next ten months, 1/10th of the difference between the current year's tax estimate and the amount paid for the first two months.

Where instalment calculations are based on a prior short taxation year, the tax payable figure used for that year must be increased to reflect the amount that would have been payable for a full year.

Example: Calculation of instalments for the 1989 taxation year (under method 3, above).

Taxation Year	Total Tax Payable
1987	\$4800
1988	\$5000
1989 (estimate)	\$5200

1989 Monthly Instalments

1) Each of first two months	=	\$400	(\$4800 ÷ 12)
Total	=	\$800	(\$400 × 2 months)
2) Each of last ten months	=	\$420	(\$5000 – \$800) ÷ 10
Total	=	\$4200	(\$420 × 10 months)
1989 Total Instalments	=	\$5000	(\$800 + \$4200)

Balance of tax is paid **in addition to instalments** within two or three months after the end of the taxation year (see page 10). In this example, if the 1989 estimated tax of \$5200 turned out to be accurate, the balance of tax payable would be \$200.

Consider another example: Calculation of instalments for the 1989 taxation year (under method 4, above).

Taxation Year	Total Tax Payable
1987	\$4800
1988	\$5200
1989 (estimate)	\$5000

1989 Monthly Instalments

1) Each of first two months	=	\$ 400	$(\$4800 \div 12)$
Total	=	\$ 800	$(\$400 \times 2 \text{ months})$
2) Each of last ten months	=	\$ 420	$(\$5000 - \$800) \div 10$
Total	=	\$4200	$(\$420 \times 10 \text{ months})$
1989 Total Instalments	=	\$5000	$(\$800 + \$4200)$

INSTALMENT PAYMENTS AND THE THREE YEAR INCOME TAX HOLIDAY

A corporation whose estimated tax payable in the current taxation year and total tax payable in the preceding taxation year are each \$2,000 or more, is required to pay Corporations Tax by instalments.

A corporation that has not paid instalments during the three year Income Tax holiday (see page 11) must commence paying instalments after the tax exempt period where the instalment rules apply. In this case, use the rules (see page 7) but recalculate the previous years' tax as if the corporation was not eligible for the tax holiday.

To determine the amount of such instalments, a corporation must base its calculations on the assumption that it was subject to a 10 per cent effective income tax rate rather than nil for the tax holiday years.

Example: Calculation of instalments (under method 3, page 8) for the 1989 taxation year of a small business that paid no Income Tax during the previous two taxation years. It is assumed that the corporation had an Ontario taxable income of \$23,000 (1987) and \$29,000 (1988) and paid capital tax of \$100 for each of those tax exempt years.

Taxation Year	Total Tax Payable	Tax Exempt Years
1987	\$2400	$(\$23,000 \times 10\% + \$100)$
1988	\$3000	$(\$29,000 \times 10\% + \$100)$
1989 (estimate)	\$3500	

1989 Instalments

1) Each of first two months	=	\$ 200	$(\$2400 \div 12)$
Total	=	\$ 400	$(\$200 \times 2 \text{ months})$
2) Each of last ten months	=	\$ 260	$(\$3000 - \$400) \div 10$
Total	=	\$2600	$(\$260 \times 10 \text{ months})$
1989 Total Instalments	=	\$3000	$(\$400 + \$2600)$

REMITTANCE ADVICE FORMS

Upon receipt of a tax payment, the Ministry of Revenue automatically issues a Receipt with a Remittance Advice form.

For convenience, payments accompanied by Remittance Advice forms may be made free of charge through any chartered bank in Ontario.

BALANCE OF TAX

Every corporation that is required to file a tax return is sent a notice of "Balance of Tax Payable" with a Remittance Advice form in the month in which the balance of tax is due.

Except as identified immediately following, the balance of tax is due within two months after the end of the taxation year.

The balance of tax due must be paid within three months after the end of the taxation year if the corporation was a Canadian-controlled private corporation throughout the year and had taxable income of not more than \$200,000 for the previous taxation year.

If the previous taxation year was less than 51 weeks, the \$200,000 limit must be prorated (i.e. $\$200,000 \times \text{number of days in the taxation year} \div 365$). Taxable income must not be more than this prorated limit.

INTEREST

INTEREST ON UNPAID TAX

Interest is charged on deficient instalments and on tax due, which includes penalty.

INTEREST ON OVERPAYMENTS

Overpayments of instalments or balances generate interest which is credited to the taxpayer's account or refunded.

Note: Interest rates are subject to change every six months at the beginning of April and October. The rate is 11 per cent per annum as at October 1, 1988.

INCENTIVE DEDUCTION BY SMALL BUSINESS CORPORATIONS

(Small Business Tax Credit)

There are two categories of Incentive Deduction by Small Business Corporations:

1. Incentive Deduction by Small Business Corporations.

Each corporation qualifying as a small business under the federal small business deduction rules is eligible for the 10 per cent small business rate on the Ontario portion of its active business income to a maximum of \$200,000 (see page 12).

2. Income Tax Exemption for Newly Incorporated Small Businesses.

A small business incorporated and carrying on active business prior to April 21, 1988, that meets the eligibility requirements, qualifies for an income tax exemption on the Ontario portion of its active business income (see page 12) for each of its first three taxation years. A corporation will **not** qualify if, at any time after its incorporation, it:

- was related to any other corporation;
- carried on a non-qualifying business;
- carried on an active business by being a co-venturer in a joint venture or a member of a partnership;
- has carried on an active business through the use of property acquired from a vendor corporation, if the corporation or any of its shareholders owned at any time more than 10 per cent of the capital stock of the vendor; or,
- was a beneficiary of a trust.

ELIGIBILITY

Each Canadian-controlled private corporation that has claimed a federal small business deduction is eligible for these tax credits based on the amount of "Ontario portion of income eligible for the federal small business deduction, adjusted for Ontario purposes"*. Income in excess of the above amount is taxed at the normal rate.

* **"Ontario portion of income eligible for the federal small business deduction, adjusted for Ontario purposes"** refers to the Ontario share of the least of the following amounts for the year:

- income for federal purposes from active business carried on in Canada;

-
- federal taxable income as adjusted to incorporate losses of other years deducted for Ontario purposes instead of losses deducted for federal purposes; and,
 - business limit for the year (presently \$200,000).

FEDERAL SMALL BUSINESS DEDUCTION

The federal small business deduction is applicable to active business income arising in Canada. The small business deduction is based on the least of the following amounts: income from active business carried on in Canada; taxable income; and business limit for the year. Income in excess of the least of these three amounts is taxed at the normal federal rate.

LOSSES

In general, non-capital losses (i.e. business losses) and capital losses may be carried to preceding or subsequent taxation years.

NON-CAPITAL LOSSES

For all corporations except farming and fishing, the carry-back period is three years and the carry-forward period is seven years. Losses from farming and fishing may be carried forward an additional three years.

LOSSES AVAILABLE FOR DEDUCTION IN TAX EXEMPTION YEARS

Any corporation that has claimed the income tax holiday will not be able to deduct in subsequent years any available losses that are otherwise deductible from income in a tax exempt year. The applicable losses are considered to have been claimed by the corporation in the tax holiday period in the proper sequence, (earliest year first) to the fullest extent possible.

CAPITAL LOSSES

Capital losses may be carried back three years and forward indefinitely.

LOSSES DEDUCTED PRIOR TO BECOMING LIABLE FOR ONTARIO CORPORATIONS TAX

Losses deducted in computing a corporation's taxable income for federal income tax purposes for years when it was not liable for Ontario

tax, are considered to have been also deducted for Ontario purposes in those years. This applies to all types of losses, including non-capital losses and capital losses.

ADDITIONAL INFORMATION

AUDIT OF TAXPAYERS' ACCOUNTS

Corporations are subject to audit by the Audit Section of the Corporations Tax Branch. An audit may include a review of books and records at the company's office.

INCORPORATION OF BUSINESSES

To incorporate a business in Ontario, with or without share capital, both public and private, contact:

Examination and Notice Section
Companies Branch
Registration Division
Ministry of Consumer and Commercial Relations
2nd Floor, 393 University Avenue
Toronto, Ontario
M7A 2H6
Telephone (416) 596-3754

LEGAL CORPORATE NAMES

An Ontario incorporated company wishing to operate under a name other than its legal one should contact:

Registrar of Partnership Section
Companies Branch
Registration Division
Ministry of Consumer and Commercial Relations
2nd Floor, 393 University Avenue
Toronto, Ontario
M7A 2H6

Telephone (416) 596-3739

The legal corporate name must be used when filing an Ontario Corporations Tax Return.

ASSISTANCE IN COMPLETING CORPORATIONS TAX RETURNS

Each Corporations Tax Return contains instructions for completion. If additional information or guidance is required, taxpayers should contact the Audit Section of the Corporations Tax Branch.

- In Metro Toronto — (416) 965-1160 Ext. 6559 or 6539
- In Oshawa — (416) 433-6559 or 433-6539

Alternatively, taxpayers may contact the Ministry of Revenue's multilingual Information Centre free of charge from anywhere in Ontario. Callers who leave a number will be contacted by a representative of the Corporations Tax Branch.

- In all areas — 1-800-263-7965
- Telephone device for the deaf — users may call toll-free from anywhere in Ontario by dialing 1-800-263-7776

FORMS

Metro Toronto residents may obtain Corporations Tax Branch booklets, Tax Appeals Branch information booklets, and Notice of Objection and Notice of Appeal forms at:

Ministry of Revenue
Toronto Public Enquiry Centre
50 Grosvenor Street
(one block south of Wellesley, west of Bay Street)

CHANGE OF ADDRESS

Notification of address changes must be made to the Corporations Tax Branch, Ontario Ministry of Revenue, immediately in writing at the following address:

Corporations Tax Branch
Ministry of Revenue
33 King Street West
P.O. Box 622
Oshawa, Ontario
L1H 8H6

MINING TAX

In addition to Corporations Tax, the Corporations Tax Branch is also responsible for administering Ontario Mining Tax. This tax is levied on profits from the extraction and sale of mineral substances raised by

operators of Ontario mines. For further information on Mining Tax, contact:

Corporations Tax Branch
Mining Taxation
5 Park Home Avenue
3rd Floor
Willowdale, Ontario
M2N 6L4
Toronto Line: 730-5500

ENQUIRIES

General Information

General enquiries 1-800-263-7965
Corporations Tax Returns – CT23's or CT8's
Information and Interpretation Bulletins

Information concerning Ontario Corporations Tax may be obtained by calling (416) 965-1160 and asking for the appropriate extension number of the Corporations Tax Branch. In Oshawa, dial (416) 433- and the appropriate extension number listed below.

Extension

Tax Roll

Cancellation requirements 6666
Liability for taxation
Consents for continuation
Change of address
Change of taxation year end

Compliance

Consents for revival or 6638
voluntary dissolution
Private bills

Accounts

Interest and/or penalty charges { 6708
Refunds of overpayments { 6710
Payments on account { 6714-5

Audit

Assessed tax enquiries 6559
Completion of Corporations Tax Returns
Incentive Deduction by Small Business Corporations

Tax Specialists

Legislative interpretations
Advance rulings

6513

Taxpayers may write to the sections at the following address:

Corporations Tax Branch
Ministry of Revenue
33 King Street West
P.O. Box 622
Oshawa, Ontario
L1H 8H6

OBJECTIONS AND APPEALS

The Ministry issues a Notice of Assessment detailing Corporations Tax due after receiving a completed Corporations Tax Return. Taxpayers dissatisfied with their tax assessment should contact the Corporations Tax Branch for an explanation. Initially, disagreements between taxpayers and the assessing branch are handled on an informal basis.

NOTICES OF OBJECTION

If still dissatisfied, taxpayers may file a Notice of Objection with the Ministry's Tax Appeals Branch. The Notice of Objection must be returned to the Tax Appeals Branch within 180 days from the date the Notice of Assessment was mailed. The Minister will review the objection and notify the taxpayer of his decision by registered mail.

CORPORATIONS TAX "DESIGNATED ASSESSMENTS"

Some Ontario Corporations Tax assessments are based on corresponding Revenue Canada assessments. If a federal Notice of Objection has already been filed, there is **no need** to file a Notice of Objection to such a "designated assessment" with the Tax Appeals Branch. Both the corporation and the Ministry of Revenue are bound by the final disposition of the federal Notice of Objection. If you disagree with non-designated items (such as capital tax) in the assessment, then a separate Ontario Notice of Objection is required. For further information, refer to the Tax Appeals Branch Information Bulletin Number 3 dated March, 1987.

NOTICES OF APPEAL

There is a further right of appeal to the Supreme Court of Ontario from the Minister's decision on the objection. The Notice of Appeal must be served on the Minister (c/o The Director, Tax Appeals Branch) and filed in the Supreme Court of Ontario within 90 days from the date the notification of the Minister's decision was mailed.

EXTENSIONS OF TIME

The time for filing a Notice of Objection or Notice of Appeal may be extended if the taxpayer provides reasonable grounds for an extension in an application to the Director, Tax Appeals Branch. Extensions are not normally granted for reasons such as vacation, inventory or year-end timing.

FORMS

Notice of Objection or Notice of Appeal forms are available from the Tax Appeals Branch, the Corporations Tax Branch, the nearest Retail Sales Tax Office, or the Toronto Public Enquiry Centre (see page 14).

BOOKLETS AND BULLETINS

Booklets entitled **Your Right to Appeal Ontario Taxes** and **Ontario Tax Appeals: Practices and Procedures** may be ordered by calling the Ministry of Revenue's multilingual Information Centre (see page 14) free of charge from anywhere in Ontario. Bulletins entitled **Objections and Appeals Administrative Procedures** and **Designated Assessments, Alternative Objection and Appeal Procedure** are also available.

Alternatively, taxpayers may write to:

Publications

Taxpayer Services Branch
Ministry of Revenue
33 King Street West
P.O. Box 627
Oshawa, Ontario
L1H 8H5

For further information on objections and appeals procedures contact:

Tax Appeals Branch
Ministry of Revenue
P.O. Box 627
33 King Street West, Main Floor
Oshawa, Ontario
L1H 8H5

Telephone:

- In all areas — 1-800-263-7965

